

**MANCHESTER WATER WORKS
BOARD OF WATER COMMISSIONERS MEETING**

**May 28, 2020
Conference Room**

**3:25 p.m.
281 Lincoln Street
Manchester, NH**

1. **Present:** President William Trombly, Jr., Commissioner Linda Miccio, Clerk, Commissioner Danielle York, Commissioner Judy Reardon, Director Philip Croasdale, Deputy Director-Water Distribution Guy Chabot, Deputy Director-Water Treatment & Supply David Miller, Deputy Director-Finance & Administration Sarah Demos and Watershed Land & Property Manager John O'Neil.
2. Due to the COVID-19 Coronavirus crisis and in accordance with Governor Sununu's Emergency Order #12 pursuant to Executive Order 2020-04, this Board is authorized to meet electronically.
3. **The Clerk calls the roll.** There is a quorum present.
4. **Minutes** - Minutes of the April 23, 2020 meeting were approved on MOTION by Comm. Miccio, seconded by Comm. Reardon. A roll call was taken: Comm. Miccio – yes, Comm. Reardon – yes, Comm. York – yes, Pres. Trombly – yes. There being none opposed, the motion carried.
5. **Accept Finance Committee Report** - The Finance Committee reviewed and recommended acceptance of 71 bills amounting to \$732,116.18. Large payments for the month included: Anderson Equipment Co. \$89,915.00, Atlantic Asphalt Paving \$34,902.00, CDM Smith, Inc. \$114,733.82, Concord Winwater Works Co. \$7,722.00, Energy Efficient Investment, Inc. \$32,718.19, HTE Northeast \$8,170.00, Harcros Chemicals, Inc. \$8,644.78, Holland Company, Inc. \$22,978.46, Knowles Industrial Services Corp. \$59,408.10, Manchester Central Fleet Maint. \$5,253.93, Manchester Facilities Div. \$5,259.19, Manchester Highway Dept., \$7,818.01, Penta Corporation \$102,803.51, Power Up Generator Co., \$7,307.81, Gustavo Preston Service Co. \$8,238.00, Univar USA, Inc. \$9,545.01 and Viking Cives USA \$44,070.00.

Comm. Reardon reviewed the bills this month and reported all disbursements appeared in order.

The report of the Finance Committee was approved on MOTION by Comm. Reardon, seconded by Comm. York. A roll call was taken: Comm. Miccio – yes, Comm. Reardon – yes, Comm. York – yes, Pres. Trombly – yes. There being none opposed, the motion carried.

6. **Director's Report** - Director Croasdale presented the Director's Report to include monthly financials, personnel, the COVID-19 update – Return to work and updates from the water treatment plant, watershed and distribution divisions.

a. Deputy Director Demos reported on the financials for the nine months ending April 30, 2020.

Statement of Net Position - The Current Assets, Cash and equivalents line has been low the last few months after some large bond payments but is beginning to come back over \$200K at the end of April. We have about a \$300K increase in receivables which will be discussed on the Aging Report.

Statements of Revenues and Expenses and Changes in Net Position - The Operating Revenue, Miscellaneous operating revenue line is much lower than last year, this is due to a timing issue on the timber harvesting revenue. Last year much of the harvesting was completed early in the year and this year it is a little later in the season. MWW has received about \$10K in May, will be receiving more in June as the timber harvesting is in full force now.

Schedule of Operating Expenses - The Watershed and Water Supply divisions are both under budget. In the Distribution division that there are no new issues but the Repairs and maintenance line in distribution has increased again. The work stopped in April however the bills did not stop

in for work done in February and March. There should be less of an increase between April and May since there was not a lot of new work happening in April. Overall, they are doing great work and although the division is over budget, Water Works as a whole has spent just about exactly what we look to spend at this time of year.

6. **Schedule of Operating Revenues** - Reviewing the Schedule of Operating Revenue-Actual vs. Budget and using the theory of 83% through this year (10 of 12 months), MWW is doing okay. We are slightly low on our late fees but that is expected as we are not charging them during this pandemic. The Non-operating revenue is very strong which will definitely help overall.

The Comparative Water Consumption Billed in CCF Report indicates water consumption is down a bit with approximately \$6M in CCF billed to date which is 98% of what MWW billed at this time last year. The last two weeks the pumping levels have increased to summer levels with the hot weather.

The Water Utility Accounts Receivable Aging report compares FY2019-FY2020 with the last line showing the aging through April 30, 2020. MWW is not shutting off people's water service; we are spending no time towards collecting; we are not calling people; we are not sending shut off notices; we are not leaving door tags; and we changed the due date on a bill. Typically, if you received a bill today, it would be due one month from today. If you signed up for direct deposit, it would automatically draft on that due date one month from today. In order to have the late fees cancelled until August or September, MWW has changed the due date on all bills so those direct deposits are not drafting until the adjusted date. Since then, we have had people call and have posted on our website to let people know that by the time that it does draft, they will have received another bill which we understand can be a hardship. Many people have been calling in and changing the dates of their direct deposits which we can do manually very quickly.

Deputy Director Demos reviewed the Summary of the 2020 General Obligation (GO) Bonding for two Mack dump trucks, a Kamatsu wheel loader for the Watershed Division, the CAT loader-backhoe for the Distribution Division, and improvements to the Cohas and Derryfield Pump Stations. This is a preliminary schedule from the financial advisor; nothing is etched in stone. The interest cost that MWW will be paying is really low; for the \$525K Heavy equipment/ vehicles, 1.5764% and for the \$2.3M Cohas/Derryfield Pump Stations projects, 2.4599%. These are great rates.

- b. Concerning personnel, Director Croasdale reported there was one reported injury this month involving lost time. The employee strained his lower back and is out on Workers' Compensation.

There were no grievances filed this month.

- c. COVID-19 update - Return to work - Everyone is back to work except for two employees out on temporary leave due to COVID-19. MWW has had five or six employees in and out. If they have had potential exposure, they get tested and once the results are negative, they come back. The City is working on a program with the Federal Government where we fill out paperwork; we provide the test results once they come back and the Federal Government will reimburse all the salaries for the time that those people were not working. The City payroll and MWW payroll departments are working together to make sure the paperwork gets filed properly and that we are receiving reimbursement

Finance and Administration - Deputy Director Demos stated the division has been working on getting the budget information for today and for the budget vote next month. We are also working on reallocating some resources we have available now that we are doing less collections; we have been doing some clean up, some planning projects and trying to automate some things, as well as business as usual as far as payroll, accounts payable, and work orders for crews who are back working. There is not a lot of difference other than the front door is still locked to the public. For the most part, people are very receptive when we mention the many alternative ways to pay their bills.

6. Deputy Director Demos also mentioned representatives from the City's Facilities and Health Departments are going to be coming around to every department's lobby and accessing their readiness for reopening.

Director Croasdale added MWW has been very accommodating at the front door working with people with both residential and commercial businesses. The City has not come out with a defined plan for reopening the municipal offices as they are trying to come up with certain guidelines before they open up. The Director believes MWW is situated rather well to do that since we put up the wall in the lobby with the sliding glass reception window in March of 2018.

Watershed Land & Property Manager O'Neil reported we have been very busy out on the Watershed with a lot of activity. The lake is down 5 inches which is a little on the lower side and hopefully we get some rain this weekend. Tower Hill Pond is full. The gauging station is just below 6 inches so we have ample supply for now and are in very good shape. The crews have been busy building a new lagoon to deal with the sludge. We are trying to play catch up on the maintenance of all of our facilities; cleaning up the sites, the landscaping and the fire roads. There is a lot to do. The Watershed activity has been very, very high. Many people are discovering Lake Massabesic and our watershed for the first time so our gates and entryways have been very full.

There have been a few traffic problems, most of the time we put those on the local police (mostly Auburn) to control. People tend to create a parking space even if their vehicle is sticking out in the road. We have a lot of trash and roadside dumping as well. We bought more trashcans to put out in other locations to help manage the problem. Tower Hill Pond Road has been very, very busy and the Front Park has been quite packed.

Manager O'Neil has been in touch with the Parks & Recreation Dept. because they are starting to open up the parks in the city for sports and he has been receiving calls and questions from Youngsville Athletic Assoc. and the rowers. They are opening up the parks on Saturday, May 30th, at least for sports practice and are going to allow for groups of ten or less, which includes the coach but there are not any organized games or anything allowed. They are not opening the pools or the playgrounds and the Fun in the Sun programs.

Director Croasdale indicated the reason the Parks & Recreation Dept. is not opening many of the summer amenities is because there is a moratorium or a freeze on hiring summer help. The Derryfield Country Club has three full-time employees for year-round maintenance and they hire 20 to 25 summer helpers to come in and maintain the Derryfield during the peak of the golf season. There is a hiring freeze right now and they have three full-time employees working. The same with the pools, the lifeguards are all college kids and with the hiring freeze, there is no one to work and maintain the pools and public safety.

Manager O'Neil mentioned that the City of Manchester has an official standpoint that if you are an official youth league, the group or organization has to acquire a Field Application Permit, complete a COVID-19 Safety Commitment Form checklist that says they are going to follow all of the COVID-19 reopening guidelines from the Governor's Economic Reopening Taskforce. There are no official adult sports at this time.

President Trombly asked if the Youngsville Athletic Association (YAA) will have to go through the same permitting process and if they have had to in the past?

Director Croasdale stated MWW controls the field but they will have to abide by the City guidelines.

Manager O'Neil said that the YAA has a lease with MWW and he spoke with the President today and asked him to sign the same form that they are making Manchester sign and no practices until Saturday, May 30th when the City of Manchester parks are open. The only question he had was they have porta potties there now. MWW does not have any at the front park because we cannot

maintain them according to the State guidelines of sanitizing portable toilets every hour.

Director Croasdale and President Trombly agreed that MWW has to follow the City and State guidelines and there will not be any porta potties.

On MOTION by Comm. Miccio, seconded by Comm. York, the Board voted to have the Youngsville Athletic Association follow all City of Manchester and State of NH guidelines during this COVID-19 emergency. A roll call was taken: Comm. Miccio – yes, Comm. Reardon – yes, Comm. York – yes, Pres. Trombly – yes. There being none opposed, the motion carried.

6. Comprehensive Environmental Inc. (CEI) is finishing up the Tower Hill Road design work because there are many erosion problems. Manager O'Neil met with road agents and CEI representatives and there is a good plan for road improvements. Going forward, it is mainly up to the towns. MWW has a bit of help we will provide with no cost to us just some occasional manpower. The road will be in better shape in the long run in regards to erosion and water quality.

Watershed Patrol Officer Dana Filip received a call from a missing hiker/walker up at Tower Hill Pond today, an 18-year-old girl got lost. She called her Dad to tell him she was lost and her phone died shortly after so her Dad was rather worried. WPO Filip went on a search and rescue looking for the girl with her Dad. It took them a couple of hours to find her. She was found in Hooksett at the northern end of the 2000-acre property.

Water Treatment and Supply - Deputy Director Miller is expecting the Merrimack River Treatment Plant Project the 60% final design submittal tomorrow.

The Derryfield Pump Station roof was stripped off and replaced by our Operations personnel earlier this month and the yard modifications were completed by Distribution personnel yesterday. Both crews did an outstanding job. We expect the contractor to arrive onsite somewhere in mid-June to begin the sitework prep.

The Sodium Hypochlorite Slab Repair was completed today. Deputy Director Miller handed out before and after pictures to pass around and stated Knowles Industrial Services Corporation did an outstanding job. The bid amount was \$139,850 and the final cost was \$121,966, a savings of almost \$18K because no area required a full depth repair. The tanks have been moved back in there and we will spend the next week or two re-piping those tanks and filling them back up with sodium hypochlorite.

Milone and MacBroom, Inc. submitted final design documents to the NHDES-Dam Bureau. They received comments back from them and addressed the comments. Deputy Director Miller is assuming that is going to wrapping up really soon and then we can talk about when we want to bid that project.

Other than that, Deputy Director Miller wanted to thank John and his crew for the work that we are doing out at lagoon 6. It is progressing very well. All of the rock has been removed and the bedrock outcrops that were there; that process finished up today. We should be into final grading sometime next week and starting to install the concrete structures then install a 12" ductile iron pipe feed. It has been a great project so far and it going to continue to be.

Water Treatment is outstanding and the water quality is very good. We did have a cyanobacteria bloom earlier this week but like they always do, it is there one minute and gone the next. It has a very noticeable odor but our treatment process is very well equipped to deal with that without any notice to our customers. It is gone by the time it gets through a couple phases of our process.

Distribution - Deputy Director Chabot updated the Board on the Distribution Division and as Deputy Director Miller mentioned the Construction Crew finished up the pipework at the Derryfield Pump

Station. They are currently out on Sagamore and Union Streets inserting valves in preparation for cleaning and lining and then the Construction Crew will move over to Ohio Ave. to start a relay job there. The rest of the crews are doing or will be doing valve bolt replacement jobs and fixing curb boxes and all of the other work that has to get done in preparation for the cleaning and lining and the relay projects.

The Meter Department is continuing to install new meters and seasonal meters in homes when needed. They are testing seasonal irrigation backflows because they do not require a setter to go into the home or building. We have not started doing internal work such as meter exchanges or backflow devices just yet but we are hoping to start in the next couple of weeks.

As far as Engineering Department goes, the cleaning and lining plans for this year and the relay plans for this year are all done. As I mentioned earlier, the Construction guys are going out, checking all of these various sites and making sure valves work and if things need to be repaired, we are scheduling repairs. We have started performing inspections out in the field again. One of our inspectors is out on Wellington Road doing a main extension for a cul-de-sac out there. We are doing miscellaneous inspections on site for various commercial buildings going into Londonderry.

We have been talking to the cleaning and lining contractor and we are sending out letters to all of the customers within the cleaning and lining project that will be placed on a temporary above-ground bypass to let them know what we plan on doing. We are planning on sending those letters out this week and try to get an idea for what people feel like as far as people going into their houses and giving them temporary water

7. **Bid Results - FY21 Chemicals** - Deputy Director Miller stated MWW delayed this one month because of the COVID-19 crisis. Bids were opened May 14, 2020 at 2:00 p.m. for process chemicals to be used at the Water Treatment Plant in fiscal year 2021. Commissioner Miccio presided at this bid opening and nobody from the public attended. Overall, chemical bids for FY2021 are slightly higher for chemicals used the most (aluminum sulfate, +2.9%, soda ash, +4.9%, and sodium hypochlorite, +3.9%) as compared to current costs.

Director Croasdale explained to the Board that they are voting on the unit cost and these are estimated quantities.

On MOTION by Comm. Miccio, seconded by Comm. Reardon, the Board approved the chemical bids per unit cost awarded to the lowest responsible bidder meeting full requirements as listed below. A roll call was taken: Comm. Miccio – yes, Comm. Reardon – yes, Comm. York – yes, Pres. Trombly – yes. There being none opposed, the motion carried.

8. **Budget Committee FY2021 Budget Presentation** – FY2021 Draft Budget - Deputy Director Demos provided an overview of the Draft of the FY2021 Budget.

Below are notable changes from the FY2020 to FY2021 Budget:

- Revenue reflects a 3% rate increase for water usage and service charges. Growth is also built in for anticipated Southern NH Regional usage of approximately 500,000 gallons per day.
- Backflow service charges have been increased in accordance with the recently approved rate increase.
- Interest income has been increased due to the large cash balance and high interest rates.
- Debt service principal and interest payments have increased approximately \$500K due to:
 - Initial payment on the SRF loan for the 3MG Londonderry Tank and the Cohas Pump Station Improvements

- Initial payment on General Obligation bonds for the Cohas Pump Station roof improvements, paving and windows and the bonded heavy equipment and vehicles (Loader/Backhoe, Wheel Loader, and 2 dump trucks).
- Watershed Division's O&M Budget increase is primarily due to planning for a full year with two (2) full crews working. In addition, there are funds added for road maintenance in three areas of the Watershed.
- Supply Division's O&M Budget increased to reflect annual planned maintenance costs.
- Distribution Division's O&M Budget increase is a result of the planned increases for the Bolt Valve Replacement work. Also, with a change in accounting policy during FY2020 we began charging meter and radio devices to the operating budget instead of the capital budget.
- Finance and Administration Division's O&M Budget increase reflects an increase in the employer's share of pension contribution. Increases also reflect a full year of pension, health insurance and payroll taxes for positions added in FY2020. Health insurance rates for FY2021 have not become available yet, but will be updated as soon as we receive them.
- The final page is a schedule of future anticipated rate increase and their impact based on average residential usage.

President Trombly added this is a Draft of the FY2021 Budget. It gives us a chance to look it over and if we have questions, we can contact Ms. Demos or the Director. At next month's meeting, the Board will approve the final budget.

We are confident that the FY2021 Budget as submitted is a responsible budget reflecting the needs of our rate payers. Without implementing the proposed rate increase and capital borrowing for long-term assets, there would remain an imbalance between revenue and expenditures. Based on our short and long-term assumptions, and by following staff's proposed long-term Capital and Operating Plan, we are confident we've set a course for MWW to ensure financial stability as we achieve both our current and long-term operating and capital infrastructure goals.

9. **Reports of Committees** - There were no reports from committees.

10. **New Business** – There was no new business to discuss.

The next public participation meeting followed by the regular meeting of the Board of Water Commissioners is scheduled to be held on Thursday, June 25, 2020 beginning at 3:25 p.m. in the conference room at 281 Lincoln St., Manchester, N.H.

11. On MOTION by Comm. Miccio, seconded by Comm. Reardon, the meeting was adjourned at 5:37 p.m. A roll call was taken: Comm. Miccio – yes, Comm. Reardon – yes, Comm. York – yes, Pres. Trombly – yes. There being none opposed, the motion carried.

Respectfully submitted,



Linda L. Miccio
Clerk